

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

UNSTARRED QUESTION NO:4067

ANSWERED ON:10.08.2016

Impact of High Spectrum Price on Mobile Tariff

Kamal Nath Shri ;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the reserve price for telecom spectrum auction fixed by the Government is too high which can result into hike in tariffs by various telecom companies;

(b) if so, the details thereof; and

(c) the measures taken by the Government to ensure that the high cost of spectrum price do not have cascading effect on mobile tariff?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) & (b) Telecom Regulatory Authority of India (TRAI), having taken into account the comments of various stakeholders received during consultation process, released its recommendation on "Valuation and Reserve Price of Spectrum in 700, 800, 900, 1800, 2100, 2300 and 2500 MHz bands" dated 27.1.2016 and subsequent response dated 18.4.2016 on back reference by the Government. The Government, after considering the above TRAI recommendations, has decided the reserve price for 700, 800, 900, 1800, 2100, 2300 and 2500 MHz bands. A detail of spectrum bands and their reserve price is at Annexure-I.

(c) It is expected that competition in the telecom sector may force operators not to increase the tariffs.

Annexure-I

Reserve Price for Auction of Spectrum in Various Bands

Rupees in Crores per MHz

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Licensed Service area (LSA) Paired Unpaired

700 MHz 800 MHz 900 MHz 1800 MHz 2100 MHz 2300 MHz 2500 MHz

Delhi 1595 848 399 554 143 143

Mumbai 1192 727 298 461 146 146

Kolkata 596 160 149 116 33 33

Andhra Pradesh 971 606 243 272 68 68

Gujarat 952 285 673 238 258 39 39

Karnataka 740 303 558 185 328 98 98

Maharashtra 1272 799 318 341 58 58

Tamilnadu 900 360 225 344 132 132

Haryana 186 57 151 47 55 8 8

Kerala 334 243 83 177 16 16

Madhya Pradesh 331 408 83 123 8 8

Punjab 308 119 77 91 21 21

Rajasthan 364 204 91 140 6 6

U. P. (East) 459 219 776 115 110 9 9

U.P. (West) 384 182 739 96 111 12 12

West Bengal 183 82 46 52 5 5

Assam 158 40 46 2 2

Bihar 248 136 444 62 86 6 6

Himachal Pradesh 64 24 16 20 1 1

Jammu & Kashmir 52 13 11 1 1

North East 44 11 12 1 1

Orissa 152 57 38 38 4 4

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